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Dear Fellow CEO,

The health care reform bills recently passed in the House and Senate propose changes to health care in the United States that will have profound effects on hospitals and health care providers. AHP has closely followed the development of these two bills and advocated on behalf of health care philanthropy. Consequently, due in large part to the efforts of AHP and other nonprofit organizations and coalitions, the health care reform bill recently passed by the Senate excludes originally proposed language that would have limited the tax deductibility of charitable gifts. Still, the bill contains other issues affecting health care philanthropy that we need not ignore.

One of these issues is the proposed Community Health Needs Assessment, a provision of the Senate bill requiring tax-exempt hospitals to conduct an assessment at least once every three years. This condition is intended to ensure that nonprofit hospitals meet the IRS community benefit standard and it appears likely that if a final health care reform bill passes, this stipulation will be included.

While many hospitals already conduct regular Community Health Needs Assessments, there are many more that do not. If your organization does not, I encourage you to begin to explore now the logistics of performing a regular assessment.

AHP contacted several AHP development members who are responsible for conducting Community Health Needs Assessments on behalf of their health care organizations to better understand the resources required, the steps involved and the benefits and challenges they faced. I'd like to share with you the following insights drawn from their responses:

The benefits. Conducting a Community Health Needs Assessment allows you and your health care organization to gain insight into and obtain quantitative and qualitative data on what your community needs most. From the public perspective, an assessment demonstrates your concern for your community's needs, legitimizes the mission and operation of your institution, and supports the fact that your development team is a good steward of donor funds.

The logistics. Responsibility for a Community Health Needs Assessment varies by health care organization. It can fall to the marketing and communications department, a community benefit coordinator, the development office or a supporting foundation. They can be conducted in-house or by consultants, in conjunction with other community hospitals and health care groups, or in coordination with local or state health departments.

The costs. The cost of conducting a Community Health Needs Assessment varies greatly depending on the role the health care organization/development foundation has taken in the process and the availability of partners to share the costs. Our members report a median of \$35,000, with costs as high as \$70,000.

Perhaps the biggest challenge to the proposed new requirement in the Senate bill is ensuring that the positions and programs implemented as a result of a Community Health Needs Assessment align with the needs of your community, and that they remain aligned over time. After all, an assessment is only the beginning of the process, and it yields expectations. The next necessary step is to address these expectations and set forth goals to meet those that are realistic.

If your organization does not currently conduct regular Community Health Needs Assessments, I encourage you to begin discussing this issue within your organization and with your development/foundation officers, as well as with your local health authority and other health care organizations in your community in order to lay the foundation for future discussions and cooperation in carrying out an assessment. For more detailed information regarding Community Health Needs Assessments, including a brief overview of the typical steps involved, visit the [AHP Resource Center](#) or consult the [2008 CHA Guide for Reporting and Planning Community Benefit](#).

Please feel free to call me at AHP's headquarters at (703) 532-6243 with your advice and thoughts. My e-mail address is bill@ahp.org. I look forward to hearing from you and to continuing our conversation.

Very truly yours,

A handwritten signature in black ink, appearing to read "Bill McGinly". The signature is written in a cursive, flowing style.

William C. McGinly, Ph.D., CAE
President and Chief Executive Officer
Association for Healthcare Philanthropy